

Community Eligibility Provision Frequently Asked Questions

INTRODUCTION

What is Community Eligibility Provision or CEP?

Community Eligibility Provision (CEP) is an alternative way to serve universal free breakfast and lunch to all students in high poverty Local Educational Agencies (LEAs) and schools.

This program requires schools to offer breakfast and lunch but will allow individual schools to count and claim meals without the normal free and reduced application process. Schools that participate in CEP will no longer be required to collect School Meals and Summer EBT Applications to determine student eligibility for free meals. Meals will still need to be counted at Point of Service (POS), but just total meals, not meals by eligibility category.

How can we qualify?

Any school building that has an Identified Student Percentage (ISP) of 40% or more, according to the building-level data reflective as of April 1 of a given year, will be eligible to participate in the following year. The percentage is calculated by taking all directly certified students, other household members that have been extended the eligibility, homeless, migrant, runaways, and foster children and dividing by the student enrollment (students eligible to participate in school meal programs). Districts can participate in a variety of ways: by individual school building ISP, groups of school's combined ISP, or by an entire district's combined ISP.

What are the advantages and disadvantages of CEP?

The advantages include:

- All students receive a free breakfast and lunch
- Eliminates overt identification issues for students
- Improves nutrition to students at risk
- Reduces paperwork at the school district level
- Simplifies meal counting and claiming
- Increases breakfast and lunch participation

Some disadvantages are:

- Potential financial issues when less than 100% claiming rate
- Unresolved issues on funding related to the counting of students eligible for free and reduced meals (E-rate, 31a state funds, Title I)

How and when can we apply for next year?

We will notify districts in the spring each year regarding the application process. You must notify the MDE School Nutrition Programs unit of your intention to participate, or continue participating, in the CEP for upcoming school year by June 30. SNP requires the notification to occur by selecting "yes" to question number 13 and saving the School

Nutrition Program Sponsor Details Page in the NexSys CNP: Coordinated Application. This selection must be made by the deadline, as a late selection cannot be approved.

Do we need to apply every year?

Once an LEA or school is approved, it may participate in the program for the duration of four consecutive years. However, if an LEA or school is not at 100% free reimbursement, it may reapply each year to increase the reimbursement percentage.

Sponsors must annually notify the MDE School Nutrition Programs (SNP) of their intent to continue participating in the CEP for upcoming school year by June 30. SNP requires the notification to occur by selecting “yes” to question number 3 and saving the School Nutrition Program Sponsor Details Page in the NexSys CNP: Coordinated Application.

What if we want to opt-out?

If approved and accepted into the CEP program, LEAs and schools may opt out in writing at any time during the year. In that case, the LEA will have 30 school days to collect the School Meals and Summer EBT Applications from students. After 30 school days, the LEA must revert to claiming by eligibility category.

DETERMINING ELIGIBILITY

Who are Identified Students?

Identified Students refers to all students that are certified for free meals by any means other than the submission of individual paper applications. This definition includes students directly certified (see below), as well as homeless on the liaison list, migrant youth, runaways, those that the local officials have extended the benefit to (see below), as well as foster children certified through means other than an application. Students who are categorically eligible based on submission of a free and reduced-price application are not included (i.e., foster or DHS case number) as they must meet the criteria above.

What is direct certification?

Direct certification is the process by which students are automatically approved for free breakfast and free lunch based on an electronic match between the Michigan Student Data System (MSDS) and the Michigan Department of Human Services (DHS).

In Michigan, direct certification is completed by matching student enrollment data that Local Educational Agencies (LEAs) upload to the MSDS with Food Assistance Program (FAP) participant, certain Medicaid participants, and Foster Child data from DHS. The matching process is made available monthly to LEAs via the MSDS.

What are extended benefits?

Any child living in a household with another child who is directly certified, as designated by DHS, is automatically eligible for free breakfast and lunch through the school meals programs. The children with extended benefits can be included in the ISP counts for CEP.

What are the methods for calculating the Identified Student Percentage (ISP) for a district, Public School Academy (PSA), school, and group of schools within an LEA?

The ISP is calculated by using April 1 data and taking the total number directly certified

students plus the migrant, homeless, runaway, manual additions, and foster students, (if not already included in the direct certification list) and dividing that number by the number of students with access to school lunch (in most cases, your enrollment). Districts can report the entire district, a single school, group(s) of schools or any combination of single schools and group(s) of schools. Whether it is a group or the entire district, the rate is the aggregate of the buildings.

If we are not currently eligible or our ISP is too low to be advantageous, is there anything our schools can do to raise the ISP so we can participate in the future?

Schools can improve their ISP by ensuring that all students that can be certified by direct certification, or are eligible based on extended benefits, are correctly identified. Schools are required to run the direct certification list three times during the school year, but MDE recommends that you run direct certification list every time it is refreshed.

Do reduced priced students count as "Identified Students"?

No, Identified Students are students that are eligible for free meals without the need for a Household Application for Free and Reduced-Price Meals. This group is comprised of students that are eligible for free meals through direct certification, homeless, runaway, foster, etc. It does not include reduced priced students since they are only determined eligible through the application process. The multiplier (currently 1.6) compensates for the reduced category.

Can preschool students participate in CEP?

For a School Nutrition Program sponsor to be eligible to claim meals served to preschool children in the National School Lunch Program or School Breakfast Program, the following criteria must be met:

- The preschool children must be enrolled and in regular daily attendance at the approved school building where meals are served and claimed for reimbursement.
- The preschool program (including Head Start, Great Start Readiness Program, tuition-based preschool, etc.) must be operated as an administrative unit of the school district. The school district is in fact, the administrative agency (grantee/sub-grantee) for the preschool program.
- The preschool students must be eligible for kindergarten the following school year.

It is important to note that preschool enrollment and eligibility is not included in the CEP spring data posting from the MDE. To include the preschool students in the ISP, student lists will need to be provided to the MDE to determine eligibility, and then the totals will be added into the building enrollment and eligibility counts.

CEP eligibility only covers meals served through the SBP, NSLP and Afterschool Snack Program. Preschool programs that serve daytime snacks through the Child and Adult Care Food Program (CACFP) will need to determine eligibility, count and claim meals according to CACFP regulations.

What is the CEP Proposed Rule?

USDA has proposed a rule to change the CEP eligibility from 40% to 25%. MDE expects to hear about a Final Rule mid-year but currently has no more information about the timeline and implementation. While a change in eligibility would mean the ability for

many more districts in Michigan to participate in CEP, MDE also understands that operating CEP with a much lower ISP can increase the risk of program revenue decreases without the Michigan School Meals program offering support. Please review the [SNP: Community Eligibility Provision \(CEP\)](#) training to review the specific regulations and learn some tips and tricks about operating CEP in your district.

APPLICATIONS AND OTHER DOCUMENTATION

Do all local education agencies (LEAs) still need to provide free and reduced-price lunch information to MDE via the Supplemental Nutrition Education characteristic in CEPI's normal collections?

Yes, in order to receive certain federal and state funds, LEAs are required to enter student eligibility data into the Supplemental Nutrition Eligibility (SNE) field in the Michigan Student Data System (MSDS). MSDS Collections that Require SNE include the Fall & Spring General Collection, Student Record Maintenance (SRM) Collection, and Early Childhood Collections.

How can LEAs Identify Economically Disadvantaged Students?

Direct Certification

- For more information about the Direct Certification report, please visit the [Center for Educational Performance and Information \(CEPI\) Direct Certification Report web page](#).

Income Based Form

- School Meals and Summer EBT Application - Traditional Claim Schools
- [Education Benefits Form](#) - Community Eligibility Provision (CEP) Schools

Categorical Eligibility

- Homeless, Migrant, Runaway, Foster, and Head Start

Which LEAs need to provide the free and reduced lunch data?

Any LEA desiring to receive certain federal or state funds must enter student data into the MSDS.

What is the Education Benefits Form?

The [Education Benefits Form](#) should be completed by parents or guardians for students that are not directly certified or categorically eligible and attend a CEP school. The report is used to determine free or reduced-price meals eligibility for the Supplemental Nutrition Eligibility field in the MSDS. Parents cannot be forced to complete the report for their children to receive the benefit of free meals in the CEP program.

Why do LEAs participating in the CEP still have to collect and report free and reduced eligibility data?

Various State and Federal programs still require the state to calculate and report subgroup data, and many programs use this subgroup for allocations. Because not all students receiving the benefits of CEP are actually FREE eligible, it is still necessary for LEAs participating in CEP to determine on an individual eligibility on a student by student basis.

Can school food service staff process Education Benefits Forms?

Yes. School food service staff has expertise collecting Education Benefits Forms. School food service staff may process the forms, but the cost of processing the Education

Benefits Forms may not be paid from the non-profit school food service account and the forms may not be associated with school meals. The LEA must pay for (or reimburse the non-profit school food service account) for the cost of processing forms.

COUNTING, CLAIMING, AND REIMBURSEMENT

If a school or LEA is participating, do any students need to identify their free or reduced-price lunch status when picking up their meal?

No. LEAs are required to only count the total number of students who received a creditable breakfast or lunch at the point of service.

How will LEAs be reimbursed for meals if the calculated participation rate is less than 100%?

LEAs will be reimbursed by multiplying their ISP by the USDA authorized factor of 1.6 to determine the percentage of free meals. If the percentage is less than 100%, the remaining percentage will be reimbursed at the paid rate.

Districts with ISPs between 40 and 62.5% may be required to pay, from sources other than federal funds, the costs of serving breakfasts and lunches that are in excess of the federal assistance received, including federal cash reimbursement.

Once your application has been approved, your claiming percentages will be displayed in the CNP: School Nutrition Program Application.

What type of funds can cover the costs of the Community Eligibility Provision (CEP)?

Federal Reimbursements and any other revenue that is required to flow to the Non-profit School Food Service Account (NSFSA) can be used to cover the costs of operating in CEP (i.e., State Supplemental Monies like 31a, 31d and 31f, Non-program Revenues, Donations, etc.). Non-federal funds like the general fund, however, would be required to cover any deficit that remains in the NSFSA should all the federal reimbursements and other sources of revenue be insufficient to break even in the NSFSA. More information can be found in the CEP Eligibility Planning and Implementation Guidance, SP 61-2016. Additional information can also be found in USDA Memo SP 54-2016 Community Eligibility Provision: Guidance and Updated Q&As.

Does the Paid Lunch Equity (PLE) Tool need to be completed if an SFA is determined as CEP?

The PLE Tool is required for any building that has traditional paid meal pricing. The PLE Tool would not be required if the SFA is participating in CEP districtwide.

How are NSLP Afterschool Snacks claimed at a CEP schools?

CEP schools that are not area eligible claim snacks using the same claiming percentage they use to claim meals under NSLP/SBP. CEP schools that are area eligible claim all snacks at the free reimbursement rate. A CEP school is area eligible if:

- At least 50 percent of students are free or reduced-price eligible (school's individual ISP is at least 31.25 percent); or
- The school is located in the attendance area of another school that is area eligible.

OTHER FUNDING

Will federal (e.g., Title I) formula grant allocations be calculated differently for LEAs or schools participating in the Community Eligibility Provisions program?

The exact calculations will depend on the type and size of the LEA. The "Supplemental Nutritional Eligibility" field in MSDS is necessary in order for MDE to calculate allocations for the federal Title I and related programs. This information is also needed to complete the "rank and serve" requirements in the Title I School Selection (TISS) application. LEAs will not need additional information from parents for any students who are "directly certified" since these students will be identified in MSDS as free or reduced lunch students. For students not eligible through the direct certification process, parents or guardians must complete the Education Benefits Form and return it to their LEA. This will enable the districts to identify students appropriately under the "Supplemental Nutritional Eligibility" field in MSDS. The paper documentation should be maintained by each LEA for auditing purposes.

Will state (e.g., 31a) formula grant allocations be calculated differently for LEAs or schools participating in the Community Eligibility Provisions program?

The Supplemental Nutritional Eligibility field in MSDS is necessary in order for MDE to calculate allocations for the state At Risk program (31a). It would not be possible to calculate this allocation without verifiable household economic information at the student level for grades K-12.

How will participation in this program affect our technology E-rate?

Recent guidance from the FCC indicates that E-rate calculations will be made based on the LEAs Identified Student Percentage (ISP) multiplied by the USDA authorized factor of 1.6.

How will the "economically disadvantaged" subgroup used for Adequate Yearly Progress (AYP), graduation rates, assessment data, and other federal reporting be calculated for LEAs or schools participating in the CEP?

The economically disadvantaged subgroup is determined by (1) direct certification, (2) categorical eligibility (homeless or migrant status), and (3) free and reduced lunch eligibility. Districts and schools participating in the CEP will need to ensure that free and reduced lunch eligibility is properly captured in the data by having parents or guardians complete the Education Benefits Form and entering the appropriate information in the Supplemental Nutrition Eligibility characteristic in MSDS. However, parents cannot be forced to complete the report for their children to receive the benefit of free meals in the CEP program. For students not directly certified or categorically eligible, the Supplemental Nutrition Eligibility characteristic must be correctly populated in MSDS by the fall collection certification date.

Free and reduced lunch data are the basis for determining the economically disadvantaged subgroup. Parents or guardians should complete the Education Benefits Form for students not directly certified or categorically eligible. LEAs must enter appropriate information under the Supplemental Nutritional Eligibility characteristic in MSDS as of the October count date. The data entered by each LEA under the Supplemental Nutritional Eligibility characteristic in MSDS are used to identify students in this subgroup.